

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO

Criminal Case No. 1:08-cr-00437-JLK-01

UNITED STATES OF AMERICA,

Plaintiff,

v.

1. IYAD YASIR ALLIS,  
a/k/a "Eddie Awad",  
a/k/a "Eddie A.",  
d/b/a "Creativity Financing, LLC",  
d/b/a "Creative Financing"  
d/b/a "New Horizon Mortgage",

Defendant.

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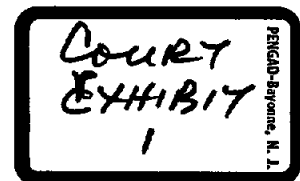
**PLEA AGREEMENT AND STATEMENT OF FACTS  
RELEVANT TO SENTENCING**

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The United States of America (the government), by and through Greg Holloway, Assistant United States Attorney for the District of Colorado, and the Defendant, IYAD YASIR ALLIS, a/k/a "Eddie Awad", a/k/a "Eddie A.", d/b/a "Creativity Financing, LLC", d/b/a "Creative Financing", d/b/a "New Horizon Mortgage", personally and by counsel, John M. Richilano, submit the following Plea Agreement and Statement of Facts Relevant to Sentencing.

**I. PLEA AGREEMENT**

The Defendant agrees to plead guilty to Counts 1, 2, 3 and 4 of the Indictment charging violations of 18 U.S.C. §§1344(2) and 2, Bank Fraud and Aiding and Abetting the same.



The government agrees that a three (3) point reduction in the offense level for acceptance of responsibility is appropriate. This plea is pursuant to Fed. R. Crim. P. 11(c)(1)(B).

The government further agrees to dismiss Counts 5 and 6 of the Indictment at sentencing provided the defendant fulfills the terms of the plea agreement and cooperates completely and truthfully as described below. The government also agrees not to charge the defendant in the Federal District of Colorado with any additional criminal activity now known to the government.

As part of this disposition, the defendant agrees to cooperate and debrief completely and truthfully with Federal Bureau of Investigation ("FBI") agents and other law enforcement officials concerning his knowledge of other individuals involved in drug trafficking, customs violations, fraudulent activities, money laundering, violent criminal activities, dealings with firearms and/or any other criminal activity in the District of Colorado and elsewhere. The United States agrees to fairly consider the information provided pursuant to §5K of the Sentencing Guidelines and Policy Statements. The United States, in its sole discretion, will determine whether the defendant has provided substantial assistance. The defendant also agrees to testify truthfully before a grand jury or petit jury in this case and any future prosecution against any co-defendants and any potential co-defendants arising out of his debriefing.

If the defendant provides substantial assistance in the debriefing described above, by fully and truthfully disclosing all information known to him concerning the matters referenced above, the government will file a motion for downward departure pursuant to §5K1.1 of the Sentencing Guidelines.

Although defendant acknowledges that the downward departure motion is within the sole discretion of the government, he also understands there is a possibility of a departure to a Zone C

sentencing range depending on the quality of his assistance. Nothing in this agreement precludes defendant from seeking departure under §5K2.0 of the United States Sentencing Guidelines. Defendant also understands and acknowledges that should he seek a downward departure or any variant sentence, the government may object and seek to introduce evidence in opposition to such defense request, including evidence of uncharged acts arising in this investigation, if any.

The defendant agrees and consents that facts that determine the offense level will be found by the Court, by a preponderance of the evidence, and that the Court may consider and use any reliable evidence, including hearsay and the facts outlined in the Presentence Report. The parties further agree that the stipulation of facts in this plea agreement will also be used by the Court in determining the Guideline range. The parties understand that the Guidelines are advisory pursuant to *United States v. Booker*, 125 S.Ct. 738 (2005). The Court is required to consider the Guidelines ranges, but is permitted to tailor the sentence in light of other statutory concerns as well. *Id.*

Defendant understands and acknowledges, however, that these recommendations are not binding on the Court, that sentencing is in the sole discretion of the Court, and that the Court may sentence the defendant up to the statutory maximum regardless of the parties' recommendations.

## **II. STATUTORY PENALTIES**

The statutory penalties for a violation of Counts 1, 2, 3 and 4 of the Indictment charging violations of 18 U.S.C. § 1344(2) are: not more than thirty (30) years imprisonment; not more than a \$1,000,000 fine, or both; not more than five (5) years supervised release; \$100 special assessment fee; and restitution to be determined by the Court, for each count.

The conviction may cause the loss of civil rights, including but not limited to the rights to possess firearms, vote, hold elected office, and sit on a jury.

A violation of the conditions of probation or supervised release may result in a separate prison sentence.

### **III. ELEMENTS OF THE OFFENSE**

The elements of 18 U.S.C. § 1344(2), Bank Fraud, are:

- 1) The defendant did knowingly execute, and attempt to execute, a scheme and artifice to obtain any of the moneys, funds, credits, assets and other property owned by, and under the custody and control of, a financial institution; and,
- 2) The defendant did so by means of materially false or fraudulent pretenses, representations and promises.

The elements of a violation of 18 United States Code Section 2, Aiding and Abetting, are:

- 1) The defendant knew the principal offense was being committed or going to be committed; and
- 2) knowingly acted in some way for the purpose of causing, encouraging, and aiding the commission of the principal offense.

### **IV. STIPULATION OF FACTUAL BASIS AND FACTS RELEVANT TO SENTENCING**

The parties agree that there is no dispute as to the material elements which establish a factual basis of the offense of conviction.

Pertinent facts are set out below in order to provide a factual basis of the plea and to provide facts which the parties believe are relevant, pursuant to §1B1.3, for computing the appropriate guideline range. To the extent the parties disagree about the facts relevant to sentencing, the statement of facts identifies which facts are known to be in dispute at the time of the plea.

(§6B1.4(b))

The statement of facts herein does not preclude either party from presenting and arguing, for sentencing purposes, additional facts or factors not included herein which are relevant to the guideline computation (§1B1.3) or to sentencing in general (§1B1.4). In "determining the factual basis for the sentence, the Court will consider the stipulation of the parties, together with the results of the presentence investigation, and any other relevant information." (§6B1.4 Comm.)

The parties agree that the government's evidence would show that the date on which conduct relevant to the offense (§1B1.3) began is approximately July of 2004, and all of the activity occurred in the State and District of Colorado.

The parties agree that the government's evidence would be:

#### **COUNT 1**

1. In 2004, E.B. owned the residence located at 7021 Saulsbury Street in Arvada, Colorado. E.B. originally purchased the house for approximately \$209,000 with a fixed rate loan. E.B., along with her daughter M.B., went to New Horizon Mortgage to lower E.B.'s monthly payments through a refinance in November of 2004.

2. The defendant handled the re-finance at New Horizon Mortgage for E.B.'s home. He told M.B. she needed to be listed as the "primary borrower" on the loan because she had good credit. The defendant signed the Uniform Residential Loan Application, ("URLA") as the loan officer, dated November 14, 2004, using the name Eddie Awad. The paperwork for the refinancing was filled out at the New Horizon Mortgage offices at 1450 South Havana Street in Aurora, Colorado.

3. The URLA falsely states that M.B. worked for "Banuelos Jewelry" earning \$4,500 per month. It stated M.B. worked at "Banuelos Jewelry" for 10 years. M.B. was not working at the time

and has never worked for or heard of “Banuelos Jewelry.”

4. The URLA falsely states that M.B. had two separate bank accounts with \$4,500 in one and \$3,000 in the other. M.B. had only one bank account.

5. The URLA falsely states that M.B. was paying \$1,454 per month on the original mortgage when in fact M.B. was not paying anything on the original mortgage.

6. The URLA falsely states M.B. is a United States citizen. M.B. is a permanent resident alien.

7. The URLA falsely states that E.B. worked for “Banuelos Jewelry” earning \$3,750 per month. It stated E.B. worked at “Banuelos Jewelry” for 15 years. E.B. has never worked for or heard of “Banuelos Jewelry.”

8. The URLA falsely states E.B. is a United States citizen. E.B. is a permanent resident alien.

9. Based upon this loan application, Finance America wired \$222,882.46 to fund the loan on November 17, 2004. New Horizon Mortgage received a check for \$7,626.00 dated November 17, 2004 from the Title Company of Denver for this loan.

10. Records from New Horizon Mortgage show a payment to Creativity Financing of \$5,380.80 for this loan. New Horizon Mortgage records also show the loan officer as the defendant, Iyad Allis. New Horizon Mortgage records also indicate that payment was made to the defendant d/b/a Creativity Financing on November 24, 2004 with check #1182. The defendant deposited this check in his Compass Bank account.

11. E.B.’s original mortgage was a fixed rate loan with payments of approximately \$1,300 per month. After the defendant’s refinancing, her payments increased. E.B.’s payments continued

to increase because the new mortgage was an adjustable rate loan. The house went into foreclosure.

12. Defendant would contend that the loan application which is the subject of Count 1 was “stated income,” and as such he took the borrowers at their word, and further that he had personal knowledge of the existence of “Banuelos Jewelry” and had reason to believe E.B.’s representations. He acknowledges, however, that the government would be able to prove at least one materially false statement in this loan application.

## **COUNT 2**

13. On February 25, 2005, the defendant completed and signed a Uniform Residential Loan Application (“URLA”) to purchase a residence at 6011 S. Andes Circle in Aurora, Colorado for \$725,000 using two mortgages from Victor Jesus Rodriguez.

14. On the URLA, the defendant stated he was self employed as a broker at New Horizon Mortgage for 10 years. He falsely listed his monthly income as \$15,000. Records checks with the Colorado Department of Labor indicated that the defendant reported \$3,915 in earnings from 2002 to 2003. There were no other reported earnings for the defendant.

15. The loan application has six checks included as support from the defendant falsely showing payment for rent of \$1,500 a month for March 1, 2004 through August 1, 2004. The account number on the checks belongs to an account that was not opened until October 26, 2004.

16. The loan application has false bank account statements for the defendant from January 24, 2004 to January 23, 2005. The actual account number on the false statements was for an account the defendant opened on January 10, 2005, with the first account statement dated February 3, 2005.

17. The defendant also signed an Occupancy Agreement stating the home would be his primary residence and that he intended to occupy the property for a 12 month period immediately

following the closing. Subsequently, the defendant never resided at the property.

18. The URLA loan officer signature was the name Vincent Lawrey of New Horizon Mortgage, 1450 S. Havana Street, Ste. 801, Aurora, CO, 80012. Public records queries were negative for anyone by that name in the state of Colorado.

19. Based upon the foregoing loan application, Finance America, LLC sent two wire transactions on February 25, 2005 to the Title Company of Denver. One was for \$144,961.74. The other was for \$581,429.40. The Title Company of Denver disbursed a check for \$3,100 to New Horizon Mortgage on February 28, 2005. That same day, the Title Company of Denver disbursed a check for \$68,978.63 to Victor Jesus Rodriguez.

20. On March 7, 2005, a warranty deed was issued from Victor Jesus Rodriguez to the defendant Iyad Allis. Then, on April 4, 2005, a quit claim deed was issued from defendant Iyad Allis back to Victor Jesus Rodriguez and Nicole Lee Rodriguez. The property was later foreclosed in 2006 and sold at a loss.

### **COUNT 3**

21. In or about July 2004, A.O. spoke with an employee of New Horizon Mortgage about a mortgage for a residence at 1907 North Taft Avenue in Loveland, Colorado via telephone.

22. After consulting with New Horizon Mortgage by telephone, A.O. went to the New Horizon Mortgage offices to complete a Uniform Residential Loan Application, ("URLA"). A.O.'s URLA, dated July 7, 2004, was signed by the defendant as the loan officer, using the name Eddie A. of New Horizon Mortgage at 1450 S. Havana Street, Ste. 801, Aurora, CO.

23. The URLA falsely states that A.O. lived at 1957 South Peoria Street for the previous two



years. A.O. never resided at that address.

24. The URLA falsely states that A.O. worked for Helping Hands Home Health Care for three years. The loan file had two W-2 pay stubs for A.O. from Helping Hands Home Health Care. A.O. never worked for that organization.

25. Helping Hands Home Health Care was operated by Nebiyou "Nate" Tirfe. When Tirfe changed the business name to My Home Health Care, Colorado Secretary of State records list the defendant, Iyad Allis, as the registered agent with an address of 1450 South Havana Street, Ste. 232, Aurora, Colorado.

26. The URLA falsely states A.O. is a United States citizen. A.O. is not a United States citizen.

27. The loan file contained a false Verification of Deposit for a checking account claiming a balance of \$26,000 in A.O.'s name at Bank One. A.O. never had an account at Bank One.

28. Based upon this loan application, Washington Mutual wired \$215,285.87 to fund the loan on July 7, 2004. New Horizon Mortgage received a check for \$9,336.00 dated July 7, 2004 from the Title Company of Denver for this loan.

29. Records from New Horizon Mortgage show a payment to Creativity Financing of \$6,748.80 for this loan. New Horizon Mortgage records also indicate that payment was made to the defendant d/b/a Creativity Financing on July 15, 2004 with check #1060.

30. The loan on this house foreclosed.

#### **COUNT 4**

31. In 2002, O.C. owned the residence located at 11852 Clayton Street in Thornton,

Colorado. O.C. originally purchased the house for approximately \$219,800 with a fixed rate loan. Payments were about \$1,150 per month.

32. In 2005, O.C. decided he wanted to refinance to lower his monthly payments and pull some equity out of his house to pay off some bills. In January of 2005, O.C. went to New Horizon Mortgage to do a refinance upon the suggestion of a friend who worked for the defendant. O.C. was told to talk to the defendant, Iyad Allis.

33. The defendant handled the re-finance for O.C.'s home at the New Horizon Mortgage offices located at 1450 South Havana Street in Aurora, Colorado. The defendant promised O.C. he could get qualified for a refinance, and that the monthly payments would decrease through the use of an 80/20 Adjustable Rate Mortgage ("ARM").

34. During the loan application process, O.C. explained to the defendant that O.C. did not have a valid social security number. The defendant used the social security number belonging to O.C.'s daughter on the Uniform Residential Loan Application, ("URLA") instead.

35. The URLA falsely states that O.C. is a United States citizen. O.C. is not a citizen.

36. The URLA is signed by the defendant as the loan officer using the name Eddie Awad. Although the URLA is not dated, it was faxed to Freemont Investment and Loan on January 28, 2005.

37. The URLA falsely states that O.C. was paying \$1,605 per month on the original mortgage when in fact O.C. was paying approximately \$1,150 per month on the original mortgage.

38. Based upon this loan application, Freemont Investment and Loan wired approximately \$222,000 to fund the loan on February 7, 2005. New Horizon Mortgage records show that they received \$5,953.00 dated February 7, 2005 for this loan.

39. Records from New Horizon Mortgage show a payment to Creativity Financing of \$3,791.40 for this loan. New Horizon Mortgage records also indicate that payment was made to the defendant d/b/a Creativity Financing on February 21, 2005 with check #1221. The defendant deposited this check in his Compass Bank account.

40. After the defendant's refinancing, O.C.'s payments increased. O.C.'s payments continued to increase because the new mortgage was an adjustable rate loan. The house foreclosed.

41. Defendant would contend that while he did not personally handle this loan, he was ultimately responsible for its contents.

#### **V. SENTENCING COMPUTATION**

The parties understand that in sentencing the defendant, this court will consider the sentencing guidelines, issued pursuant to 28 U.S.C. § 994(a) as well as the factors set forth in 18 U.S.C. §3553(a).

Any estimation by the parties regarding the estimated appropriate guideline application does not preclude either party from asking the Court to depart from the otherwise appropriate guideline range at sentencing, if that party believes that there exists an aggravating or mitigating circumstance of a kind, or to a degree, not adequately taken into consideration by the Sentencing Commission in formulating the sentencing guidelines. (§5K2.0)

The parties understand that the Court may impose any sentence, up to the statutory maximum, regardless of any guideline range computed, and that the Court is not bound by any position of the parties. (§6B1.4(d)) The Court is free, pursuant to §§6A1.3 and 6B1.4, to reach its own findings of facts and sentencing factors considering the parties' stipulations, the presentence

investigation, and any other relevant information. (§6B1.4 Comm.; §1B1.4)

To the extent the parties disagree about the sentencing factors, the computations below identify the factors which are in dispute. (§6B1.4(b))

A. The base guideline for Counts 1, 2, 3 and 4 of the Indictment is determined by §2B3.1(a), with a base offense level of 7.

B. The following specific offense characteristics apply:

The defendant agrees that the loss from his actions is more than \$400,000, adding 14 levels. §2B1.1(b)(1)(H).

C. No victim-related, and/or obstruction adjustments apply. The four Counts constitute a single Group under §3D1.1 and 1.2.

D. The adjusted offense level would therefore be 21.

E. The defendant should receive a three (3) point adjustment for acceptance of responsibility. The resulting offense level would therefore be 18.

F. The parties understand that the defendant's criminal history computation ("CHC") is tentative. The criminal history category is determined by the Court. Known facts regarding the criminal history are as follows:

The defendant has no known criminal history.

Based on that information, if no other information were discovered, the defendant's criminal history category would be I.

G. As noted above, assuming the (tentative) criminal history facts of (F) above, the armed career criminal adjustments do not apply.

H. The guideline range resulting from the estimated offense level of (E) above, the

(tentative) criminal history category of (F) above is 27 to 33 months. The defendant understands that the possible range given a score of 18 is from 27 (bottom of CHC I) to 71 (top of CHC VI) months.

I. Pursuant to guideline §5E1.2, assuming the estimated offense level of (E) above, the fine range would be \$6,000 to \$60,000, plus applicable interest and penalties.

J. Pursuant to guideline §5D1.2, if the Court imposes the term of supervised release, that term shall not be more than five (5) years.

K. Restitution to be determined.

**VI. WHY THE PROPOSED PLEA DISPOSITION IS APPROPRIATE**

The parties believe the sentencing range resulting from the proposed plea agreement is appropriate because all relevant conduct is disclosed, the sentencing guidelines take into account all pertinent sentencing factors with respect to this defendant, and the charges to which the defendant has agreed to plead guilty adequately reflect the seriousness of the actual offense behavior.

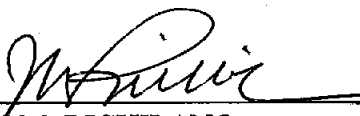
This document states the parties' entire agreement. There are no other promises, agreements (or "side agreements"), terms, conditions, understandings or assurances, express or implied. In entering this agreement, neither the government nor the defendant have relied, or are relying, on any terms, promises, conditions or assurances not expressly stated in this agreement.

Date: 2-27-09



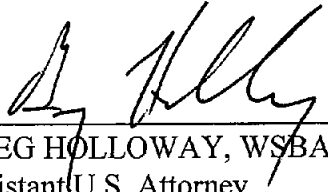
IYAD YASIR ALLIS  
Defendant

Date: 2/27/09



JOHN M. RICHILANO  
Attorney for Defendant

Date: 2.27.2009

  
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